

109TH CONGRESS  
2D SESSION

# H. R. 5353

To permit United States companies to participate in the exploration for and the extraction of hydrocarbon resources from any portion of a foreign maritime exclusive economic zone that is contiguous to the exclusive economic zone of the United States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2006

Mr. FLAKE (for himself, Mr. BASS, and Mrs. MUSGRAVE) introduced the following bill; which was referred to the Committee on International Relations

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## A BILL

To permit United States companies to participate in the exploration for and the extraction of hydrocarbon resources from any portion of a foreign maritime exclusive economic zone that is contiguous to the exclusive economic zone of the United States, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Western Hemisphere  
5       Energy Security Act”.

6       **SEC. 2. FINDINGS AND PURPOSE.**

7       (a) FINDINGS.—Congress finds that—

1           (1) the United States is the largest oil importer  
2       in the world;

3           (2) the Federal Government predicts that, by  
4       2025, 68 percent of the oil used in the United  
5       States will be imported;

6           (3)  $\frac{2}{3}$  of the oil reserves of the world are lo-  
7       cated in the politically unstable Middle East and are  
8       controlled by members of the Organization of Petro-  
9       leum Exporting Countries;

10          (4) global fuel consumption is projected to in-  
11       crease by 100 percent to 150 percent during the  
12       next 20 years, driven largely by the Chinese and In-  
13       dian economies;

14          (5) that increased demand for fuel—

15                (A) will place the United States in ever-  
16       greater competition for oil and gas resources;  
17       and

18                (B) may result in an extension of Chinese  
19       involvement in developing Cuban oil and gas re-  
20       serves to within a few miles of the coastline of  
21       the United States;

22          (6) the United States adheres to the principle  
23       that, in a case in which the exclusive economic zone  
24       of the United States is contiguous to the exclusive  
25       economic zone of another country, a point equi-

1 distant to the maritime baselines of the 2 countries  
2 demarcates the exclusive economic zone of each;

3 (7) an example of the application of the prin-  
4 ciple described in paragraph (6) is that the exclusive  
5 economic zone of Cuba extends to within—

6 (A) 52 miles of the Florida Keys at—

7 (i) south of 24 degrees north latitude;

8 and

9 (ii) east of -81 degrees west longitude;

10 and

11 (B) 85.4 miles of the Florida peninsula

12 at—

13 (i) south of 24 degrees north latitude;

14 and

15 (ii) east of -81 degrees west longitude;

16 (8) Cubapetroleo, the state oil company of  
17 Cuba, recently—

18 (A) signed an oil production sharing agree-  
19 ment with the China Petroleum and Chemical  
20 Corporation; and

21 (B) purchased 3 deep-water drilling rigs  
22 from that Chinese state enterprise for use in  
23 the exclusive economic zone of Cuba;

24 (9) the exclusive economic zone of Cuba in the  
25 Gulf of Mexico is a 112,000-square-kilometer area

1       that has been divided into 59 exploration blocks,  
2       each of which is approximately 2,000 square kilo-  
3       meters and an average depth of 2,000 meters (ex-  
4       cept that some of those blocks have a depth of as  
5       great as 4,000 meters);

6               (10) the northernmost of the exploration blocks  
7       described in paragraph (9) are located off the south-  
8       west coast of the State of Florida;

9               (11) a United States Geological Survey report  
10      entitled “Assessment of Undiscovered Oil and Gas  
11      Resources of the North Cuba Basin 2004” estimated  
12      that between 1,000,000,000 and 9,300,000,000 bar-  
13      rels of undiscovered oil and between  
14      1,900,000,000,000 and 22,000,000,000,000 cubic  
15      feet of undiscovered natural gas along the northern  
16      coast of Cuba;

17              (12) the national security strategy of the Presi-  
18      dent recognizes the increasing resource needs of  
19      China by stating that China is “expanding trade,  
20      but acting as if they can somehow lock up energy  
21      supplies around the world or seek to direct markets  
22      rather than opening them up.”;

23              (13) the United States embargo on Cuba pro-  
24      hibits United States companies from engaging in the

1 exploration or extraction of hydrocarbon resources  
2 from the exclusive economic zone of Cuba;

3 (14) United States oil and gas industries are  
4 the world's leaders in the efficient and environ-  
5 mentally-safe extraction of oil and gas resources  
6 from marine deposits; and

7 (15) it is in the energy, national security, and  
8 environmental interests of the United States that  
9 the oil and gas companies of the United States be  
10 permitted to operate in the foreign exclusive eco-  
11 nomic zones that is contiguous to the exclusive eco-  
12 nomic zone of the United States.

13 (b) PURPOSE.—The purpose of this Act is to permit  
14 United States companies to participate in the exploration  
15 for and the extraction of hydrocarbon resources from any  
16 portion of a foreign maritime exclusive economic zone that  
17 is contiguous to the exclusive economic zone of the United  
18 States.

19 **SEC. 3. AUTHORIZATION OF ACTIVITIES AND EXPORTS IN-**  
20 **VOLVING HYDROCARBON RESOURCES BY**  
21 **UNITED STATES COMPANIES.**

22 (a) AUTHORIZATION.—Notwithstanding any other  
23 provision of law (including a regulation), United States  
24 persons (including agents and affiliates of those persons)  
25 may—

1           (1) engage in any transaction necessary for the  
 2           exploration for and extraction of hydrocarbon re-  
 3           sources from any portion of any foreign exclusive  
 4           economic zone that is contiguous to the exclusive  
 5           economic zone of the United States; and

6           (2) export without license authority all equip-  
 7           ment necessary for the exploration for or extraction  
 8           of hydrocarbon resources described in paragraph (1).

9           (b) DEFINITION.—In this section, the term “United  
 10          States person” means—

11           (1) any United States citizen or alien lawfully  
 12           admitted for permanent residence in the United  
 13           States; and

14           (2) any person other than an individual, if indi-  
 15           viduals described in paragraph (1) own or control at  
 16           least 51 percent of the securities or other equity in-  
 17           terest in such person.

18       **SEC. 4. TRAVEL IN CONNECTION WITH AUTHORIZED HY-**  
 19                               **DROCARBON EXPLORATION AND EXTRAC-**  
 20                               **TION ACTIVITIES.**

21           Section 910 of the Trade Sanctions Reform and Ex-  
 22           port Enhancement Act of 2000 (22 U.S.C. 7209) is  
 23           amended by inserting after subsection (b) the following:

24           “(c) GENERAL LICENSE AUTHORITY FOR TRAVEL-  
 25           RELATED EXPENDITURES BY PERSONS ENGAGING IN

1 HYDROCARBON EXPLORATION AND EXTRACTION ACTIVI-  
2 TIES.—

3 “(1) IN GENERAL.—The Secretary of the  
4 Treasury shall authorize under a general license the  
5 travel-related transactions listed in section  
6 515.560(c) of title 31, Code of Federal Regulations,  
7 for travel to, from, or within Cuba in connection  
8 with exploration for, and the extraction of, hydro-  
9 carbon resources in any part of a foreign maritime  
10 exclusive economic zone that is contiguous to the  
11 United States’ exclusive economic zone.

12 “(2) PERSONS AUTHORIZED.—Persons author-  
13 ized to travel to Cuba under this section include full-  
14 time employees, executives, agents, and consultants  
15 of oil and gas producers, distributors, and ship-  
16 pers.”.

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